

1 A To the Department of Education that the thing
2 works.

3 Q Did the Department of Education send people to the
4 schools for a demonstration like that?

5 A We planned with that that every work had to be
6 audited by a representative of the Department of Education to
7 check that it is all right and if I am not wrong, we even
8 designed, and when I say "we" I say the office, designed a
9 form or something like that. Some aspects that had to be
10 checked that it complied that everything is the way it should
11 be.

12 Q All right. Did the Department of Education send
13 the people to the different schools to check on that?

14 A You have to check that with Adonay.

15 Q And that we had a form for each school?

16 A I don't remember how they managed that. I remember
17 that I suggested that I wanted to see a form because sooner
18 or later we were going to be asked about that. There was a
19 huge amount of money for a system that was not working. "Se
20 cae de la mata." Somebody is going to ask for that.

21 Q All right. So what you wanted is maybe somebody
22 from DRC to go with its own computer to every station in
23 every school and turn it on and demonstrate to somebody from
24 the Department of Education that each station worked?

25 A That each set. Remember it's not each station.

1 The project is to have a system in which a computer from the
2 school can connect to the system and reach the Internet.

3 Q You wanted to check each drop?

4 A Ah-huh.

5 Q Yes?

6 A Each drop or in the case of DRC, the access points.

7 Q So in one school you would turn on the computer and
8 made sure it works and then somebody would be there from the
9 Department of Education to say "okay, it works." And after
10 that you would be satisfied?

11 A Ah-huh.

12 Q Yes?

13 A Yes.

14 Q Do you know if that was done?

15 A I gave the instructions. You would have to ask the
16 office that was in charge of Re-Educate. It was the one of
17 Adonay Ramírez. He should have the details on that.

18 Q And do you know if there is a list of schools that
19 became validated, if that would be the right word?

20 A Yes. I remember we had different ways of
21 validating in which we were having a list of schools that
22 were produced. Sometime of the project it was daily to check
23 how many were up that day and in other parts it was weekly.
24 But I remember that I requested evidence.

25 Q At least when you made that presentation or when

1 you went with that presentation to Washington in April of
2 2002, you have indicated that you had 216 schools from the
3 Phase 2 schools that were working.

4 A Ah-huh.

5 Q Yes?

6 A I don't remember if of the whole system I had 216.

7 Q Look at page 4, I believe it was.

8 A It says that we went from 2 to 216. All of them.

9 Q And then you disconnected 116?

10 A That means that it suggests 116 were of Phase 2.

11 Q And those were working?

12 A That at that time they were connected. There was a
13 connection between the school and the Internet of the
14 Department of Education.

15 Q And the access points were working too?

16 A No. At that time the information we were getting
17 was from the servers.

18 Q When was it that somebody went there to the schools
19 with their own computer to see if the school---

20 A You have to ask that to Mr. Adonay Ramirez.

21 Q Do you know if it was after April of 2002 or
22 before?

23 A You have to ask him. He was in charge of that.

24 Q Now, let's talk about this slide here on page 8.

25 A This one?

1 Q Yes. Actually, these slides have numbers here.
2 It's slide 16. What does that slide refer to?

3 A This one is part of the "Proyecto Mil."

4 Q Electrical repairs from "Proyecto Mil?"

5 A Ah-huh, and this one---

6 Q What was "Proyecto Mil?"

7 A It's a project conducted by the Government to make
8 an effort in the infrastructure of 1,000 schools. It was
9 prior to the... Prior and in the beginning of school year
10 2001-2002. The aim was to impact 1,000 schools.

11 Q They were going to rewire the schools? Is that---

12 A No. It is... It was a different kind of...

13 Q Upgrading?

14 A Upgrading or fixing. It was repairs or maintenance
15 to 1,000 schools. What was done on each school was it was
16 not a unique pattern of upgrading or fixing. It just
17 depended on the needs of the school.

18 Q Was that being done specifically to be able to
19 support the computers that were being installed in different
20 schools?

21 A As a result? Yes. Specifically, I didn't see the
22 documents of how it was written or so, if it was specifically
23 for computers. But as a result, every upgrade or fix or
24 repair in the electricity, goes toward our effort of
25 providing reliable electricity to the schools.

1 Q And who was paying for that?

2 A I don't know. It was the Government of Puerto Rico
3 but I don't know which money they used for that.

4 Q Why not just require the contractors like DRC to do
5 the work instead of "Proyecto Mil?"

6 A You have to ask the Office of the Governor.

7 Q Would it be because E-Rate funds could not be used
8 for electrical connections?

9 A Say it again. Last 2 questions.

10 Q One question.

11 A No, the last 2 questions.

12 Q The last 2 questions. I have asked you why not
13 just get contractors like DRC to pay for upgrading of
14 electrical connections for the computers instead of having
15 "Proyecto Mil" or the Government of Puerto Rico pay for that?

16 A "Proyecto Mil" was dealing with more than
17 electricity. It was dealing with paint, with bathrooms, with
18 yards, with doors, windows, all of this kind of fixtures in
19 the schools. It was not only for electricity.

20 Q When you went to USAC there in April of 2002, you
21 didn't tell USAC "look, we are requiring that each
22 contractors provide electrical work for the computers, didn't
23 you?

24 A Say it again.

25 Q When you went to Washington in April of 2002, you

1 did not tell USAC that the Department of Education was
2 requiring the contractors who were installing the computers
3 to also make electrical connections required by the
4 computers?

5 A No. I did not.

6 Q Because you were not doing that, right?

7 A No.

8 Q You could not have done that.

9 A Well, we were asking to show me that the thing
10 works. If it doesn't work, okay, tell me that it is not.
11 You will retire from the school and I told them, every school
12 that doesn't work, let's keep it up and that is it.

13 Q If the school did not have proper electrical
14 connections, you wanted the equipment removed from the
15 school? Is that what you are telling me?

16 A The equipment was already left at the schools
17 working or not. The thing is I can't do nothing about that.
18 That was done. What I was dealing with was if the system is
19 operating or not, because if the system is not operating I
20 will not sign any invoice, because I would be signing for
21 something that is not working.

22 How can I support when somebody from FCC, USAC or
23 who ever or the Department of Justice comes and asks me why
24 did I sign for that if the system was not working? So if I
25 have the evidence that the system is not working, I will say

1 no way. Show me that the system is working and we can work
2 it out. But if the system is not working and it is because
3 you don't have an electrical outlet, you can fix it or you
4 can check it. If not, well the system is not working.

5 Q As far as you are concerned, the system is not
6 working even if it was due to poor electrical connections in
7 the schools, right?

8 A That is right.

9 Q As far as you are concerned, if the system was not
10 working even though that might have been due to poor
11 electrical connections in the schools, you would not approve
12 payment to any contractor?

13 A Yes. You are right.

14 Q What is this on slide 16 "Electrical repairs being
15 conducted"? In the first bullet it says "13 Electrical
16 Stations." What is that all about?

17 A Poor electrical connections.

18 Q And the next bullet "150 Power Distribution
19 Repairs." What is that about?

20 A It should be related all to the same that I told
21 you.

22 Q Okay. And there is here as Exhibit 10 "Electrical
23 needs table" which Counselor is going to provide to us. Is
24 that a list of all---

25 A That should be a table that states the electrical

1 needs.

2 Q Of all the schools?

3 A Of all.

4 Q Let's move to slide number 22. It says "Things to
5 be addressed." In one of them it has "Improvements are built
6 in communication lines." What is that related to?

7 A We were having problems with some schools that one
8 day were up and the next day were down. So, we requested
9 from the providers to please check that everything there is
10 reliable in a stable connection and connectivity of the line
11 because I can't call whichever stakeholder and say "we have
12 so many schools and half of the so many schools some days are
13 in and some days are out.

14 Q And what was causing that, if you know?

15 A There was more than one reason and Adonay Ramírez
16 has the details on which were the reasons.

17 Q Let's get to slide number 23.

18 A Ah-huh.

19 Q It says here "Year 4 funding urgently needed to
20 install backbone for Phase 1 schools."

21 A Those were those schools that in Phase 1 were
22 connected one structure independent of the other. If you
23 have a school with 3 buildings, the 3 buildings were wired
24 within themselves but not connected among them. So there is
25 no network to work. They had to have a backbone so the whole

1 structures are connected with a backbone and that part was
2 considered in year number 4.

3 Q Then the next one says "Paid recurring charges."
4 What does that refer to?

5 A To service.

6 Q Is that T-1 lines and things like that?

7 A T-1 lines and Internet.

8 Q And part of that were amounts owed to DRC for
9 providing Internet connections, right?

10 A For year number 4?

11 Q Yes.

12 A Whatever was invoiced and validated. Yes.

13 Q And then it says "Provide Internet access from
14 different places within schools." What does that refer to?

15 A To provide more than 1 access to the Internet in
16 the schools. We don't want schools to have just one single
17 point. We want to have maybe one in the library and one in
18 another room to provide different points.

19 Q Before the Phase 1 wired schools?

20 A Phase 1 and Phase 2.

21 Q Well in Phase 2 you could access from anywhere
22 within the school because that was wireless?

23 A But you are assuming that the access points are
24 working, which were not.

25 Q Then turn on the access points. And I think that

1 we spent a lot of time about that the last time that the
2 access points needed to be plugged and they did not have
3 electrical connections. Once you did the electrical
4 connections as presumably you would have access---

5 A But if you don't have electrical connections you
6 don't have access.

7 Q I agree with that, yes. Then here in slide number
8 24 it says "Final remarks." One of them is significant
9 progress accomplished regardless of contractual issues. What
10 does that refer to?

11 A You have to ask Arnaldo Ramos about that. Those
12 final remarks were made by him.

13 Q You don't remember what were the contractual issues
14 at all?

15 A No, Sir.

16 Q Okay. Now, you have seen the report prepared by
17 Mr. Adonay Ramírez, true?

18 A Yes, Sir.

19 Q It's dated the 18th of September of 2001 and it is
20 tab 7 of Exhibit 1 on page 22, what is that document item
21 number 3.5? Why don't you read it in Spanish and we get it
22 translated so we can put it on the record?

23 A The contract does not include clauses that allowed
24 the Department of Education to take action against DRC for a
25 poor execution of its services.

1 Q Is that all?

2 A Clause 12 only establishes that the contract may be
3 canceled by mutual consent of the parties through a written
4 notification where the reasons for the cancellation are
5 stated. However, it does not include any type of penalty for
6 bad service. On the contrary, the contract grants thirty
7 additional days to the company to correct the deficient
8 performance and in case the decision to cancel is kept, DRC
9 has to be paid for the services performed up to the date of
10 termination of the contract.

11 Q You were aware of what Mr. Adonay Ramírez said
12 concerning the Department of Education's ability or inability
13 to cancel DRC's contract, right?

14 A Yes.

15 Q Did you agree with what Mr. Adonay Ramírez said
16 there?

17 A That's out of my jurisdiction. I didn't deal with
18 this part. This part concerning law contents are referred to
19 the Legal Division.

20 Q That's what you told us earlier that you had
21 obtained some kind of opinions?

22 A As far away of being a Lawyer, I know something
23 about laws. If there is educational and technology, I can
24 have an opinion but concerning law issues, they are referred
25 directly to the Secretary's office and to the Legal Division

1 and they give their opinion and give the recommendations or
2 which ever.

3 Q Were you concerned at all that DRC's contracts were
4 being canceled in light of what Mr. Adonay Ramírez had said
5 in his report concerning the Department of Education's
6 ability or inability to cancel the contracts?

7 A I don't know how the Secretary would think about
8 this.

9 Q Go ahead.

10 A And I think the Secretary knows that Adonay Ramírez
11 is a very good technician, but he is not a Lawyer. If it
12 concerns technology issues, I would hear him or
13 administration concerning on how to do that, I would hear him
14 but concerning law issues, I would call the Legal Division.
15 They do have a legal office.

16 Q My question was whether or not you were concerned
17 in light of what Mr. Adonay---

18 A Yes, but since it is not my decision in the terms
19 of cancel or not cancel a contract, it is not my decision and
20 it is out of my role.

21 Q But you were concerned?

22 A Excuse me?

23 Q Did you say you were concerned?

24 A What do you mean by concerned?

25 Q Well, worried.

1 A Oh, sure.

2 Q Because of what?

3 A Everything that holds or puts in some sort of a
4 danger to the project in terms of accomplishment, of course
5 it worries me.

6 Q So you were concerned that the Department of
7 Education was not able, at least according to what Mr.
8 Ramírez says, to cancel---

9 A In that term, no. My concern was that the project
10 is going to slow down or stop. If it is... If you have a
11 legal base or not, this is not my role and I had so many
12 things to do than to take care of...

13 Q So basically, you were going to do whatever you
14 thought was necessary to get the system working regardless of
15 the contractual limitations of the clause?

16 A I did not obtain a deal in terms of canceling or
17 not a contract. It is not my role. So I gave my opinion in
18 terms of the project of technology and the issues that
19 concerns the project in the technology office. The issues
20 that concern legal issues are part of the Legal Division.

21 Q I take that this is consistent with your report on
22 tab 8 of Exhibit 1. This is the Executive Summary
23 Re-Educate Infrastructure Audit, March 11, 2002. Who
24 prepared this document?

25 A If it is Re-Educate, it is Adonay Ramírez's office.

1 Q The document says what the objectives were. Did
2 you see this document before today?

3 A I think so.

4 Q According to this document the objectives were to
5 evaluate the conditions of the communication equipment on
6 each of the 1,540 schools, correct?

7 A Ah-huh.

8 Q And also to evaluate the conditions of the
9 infrastructure. That's equipment location, security,
10 electricity usage, etceteras, right?

11 A Yes, Sir.

12 Q And to obtain a physical inventory of all the
13 equipment?

14 A Yes, Sir.

15 Q All right. Now, one of the things that was found
16 here was that 38% of the evaluated schools reported to
17 confront electrical problems that adversely affect the
18 network service, true?

19 A Yes, Sir.

20 Q And you were aware of that back then?

21 A Yes, Sir.

22 Q Is this what you used to render your own report
23 subsequently to USAC?

24 A At that state, yes or it was part of. Remember the
25 audit report was more than that. My business is education,

1 not technology by itself. I just have to remember you that
2 it's almost 10 past 4:00 p.m.

3 Q Yes, that's true. I apologize.

4 A I know. You just told me that you are starting a
5 job.

6 MR. CAMILO K. SALAS: We haven't completed this
7 deposition but we would check with him to come---

8 MR. A.J. BENNAZAR: How many more hours do you need
9 so we can---

10 MR. CAMILO K. SALAS: Well, I don't think he is
11 going to be much more to be quite honest with you, but I do
12 want to get these documents that I have been---

13 MR. A.J. BENNAZAR: The ones you requested today?

14 MR. CAMILO K. SALAS: I'll tell you what I am going
15 to do. I am going to make you a list.

16 MR. A.J. BENNAZAR: Great.

17 MR. CAMILO K. SALAS: And if you can give us those
18 documents and I get a chance to review them, not come here
19 with the witness and waste his time, but if you give them to
20 me ahead of time I promise you I'll read them.

21 MR. A.J. BENNAZAR: If you give me the list of what
22 you want, I shall be delighted to try to comply with your
23 request.

24 MR. CAMILO K. SALAS: And then having read the
25 documents, if we need the witness, we'll take his deposition

1 to come here and I promise to come prepared to ask specific
2 questions about the documents and if we don't need him, then
3 we don't have to meet again.

4 MR. A.J. BENNAZAR: Okay, perfect. So when are you
5 going to give me the list?

6 MR. CAMILO K. SALAS: I'll deliver it to you
7 tomorrow, I promise you.

8 MR. A.J. BENNAZAR: Perfect.

9 MR. CAMILO K. SALAS: We are going to leave the
10 deposition open to see if the witness needs to provide
11 additional information after we receive certain documents
12 that we will be obtaining from Counsel after we provide him
13 with the list tomorrow.

14 (AT WHICH MOMENT THE IMMEDIATE PROCEEDINGS HAVE CONCLUDED)
15 -----

16 DEPONENT'S CERTIFICATE

17 I, Anibal Cruz, hereby () accept () do not accept
18 as correct the transcript of my deposition as prepared and
19 transcribed by Compugrafía, Inc., taken in the date and time
20 hereby indicated in the case of caption.

21 _____
22 Anibal Cruz
23

24 Please use the Errata Sheet at the end of the transcript for
25 corrections related to this deposition.

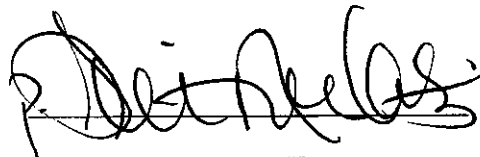
REPORTER'S CERTIFICATE

I, Casey Hayes, E.R. Reporter, member of
Compugrafía, Inc., hereby certify:

That the foregoing transcript is a faithful
representation of the notes and recording taken by me in the
hereby indicated case of caption.

I also certify that I have no relation by blood or
marriage to the parties involved in this case and that I am
not interested in the outcome of the same.

Signed on October 9, 2003, in San Juan, Puerto
Rico.

A handwritten signature in black ink, appearing to read 'P. Del Real', is written over a horizontal line.

Casey Hayes

1
2
3 CERTIFICATE OF NOTARY PUBLIC
4

5 I, John F. Nevares, Attorney at Law and Notary
6 Public, duly commissioned and qualified in and for the
7 Commonwealth of Puerto Rico, do hereby certify:

8 That the foregoing deposition was taken on the
9 date heretofore mentioned; September 17, 2003.

10 That the Court Reporter, the Deponent and the Court
11 Interpreter were sworn by me before the commencement of the
12 taking of the testimony.

13 In witness whereof I sign the present and
14 affix my notarial seal in San Juan, Puerto Rico, on
15 , 2003.

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18 _____
19 John F. Nevares, Esq.

20 Notary Public
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ERRATA SHEET

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